

12/21/04

Grady, Tom

The following is a response to the initial offer by USB for the repurchase of shares of stock held by John Walker.

1. Payment at closing of accumulated expenses currently \$15,768.45 as of 11/30/04. [^]
2. Payment at closing of accumulated commissions currently \$20,074.91 as of 11/30/04. [^]
3. 1/3 of real equity in the building Estimated @ \$20,000. ^{based on Agreement - 11,000.00}
4. Payoff of all business credit cards with personal guarantees.
 - a. Citi Business Visa ✓
 - b. Wells Fargo Credit Line ^{25,000.00}
 - c. South Trust Visa ✓
 - d. Any others.
5. Continuation of Life insurance for the term of the buyout. ^{800.00} \$1,384 per year. ^{375,000.00} ^{252,000.00} ^{2,000,000} ^{500,000.00} [↓]
6. Pay health insurance w/family coverage for a period of 3 years. \$7,440 per year - ^{corporate coverage}
7. Removal of all financial liabilities with 5 years of execution of this agreement. ✓
8. Repurchase of stock including non-compete for \$325,000 @ 7.5% interest over a 5 year period. (\$6,512.33 per month)
9. Non-compete agreement for Alabama, Georgia, Mississippi and Arkansas and the counties in South Texas where Rio Grande Currently operates.

Tennessee / SC / Oklahoma / Florida / Texas / Illinois

- Juice Alive - assign value of Label @ cost issue

- Non Compete

- School system program pos / Label

- Spade

- Super-Stop

$$\begin{array}{r} 22,320.00 \times \\ 325,000.00 \\ \hline 20,000.00 \\ \hline 6511.95 \end{array}$$

$$\begin{array}{r} 7249.00 \\ 6933.00 \\ \hline 315.00 \end{array}$$

$$\begin{array}{r} 315.00 \end{array}$$

$$\begin{array}{r} 300.00 \\ 70.00 \end{array}$$

$$\begin{array}{r} 325000 \\ 22320.00 \end{array}$$

$$\boxed{301000}$$

$$\begin{array}{r} 150000 \\ 220,000 \\ \hline 270,000 \end{array}$$

